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“There is nothing more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things, because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new.”

-- Machiavelli

# Purchasing Update

Division of Purchasing, Idaho Department of Administration

Issue 4

**May 1, 2002**

## **Revised Purchasing Publications Update**

Revised Chapters 14-19 are now available for you to download and replace in your *Purchasing Reference Guide* binder. You will notice that *Chapter 13, Repair Services* was skipped. With the increase in the small purchase authority no-bid limit to \$5,000, information in this chapter is obsolete. Please remove Chapter 13 from your Purchasing Reference Guide in its entirety.

- 14 *Emergency Purchases*
- 15 *Sole Source*
- 16 *Food Service and Concessions*
- 17 *Rehabilitation Facilities & Correctional Industries*
- 18 *Exceptions to Bidding*
- 19 *Information Technology*

To access these publications go to <http://www2.state.id.us/adm/purchasing>, click on “Agency Info” and then on “Publications” or “What’s New.”

## **Use of MPC Field in STARS**

It is no longer necessary to insert state contract number, state purchase order, agency EPA, or SEPA information in the MPC (Multi Purpose Code) field when making STARS expenditure entries in the State Controller's STARS accounting system.

Please share this information with all fiscal individuals in your agency or those personnel involved in the accounts payable processes within your agency.

Agencies are still obligated to use state contracts in accordance with their terms and follow all established purchasing rules and procedures. The only change is that the state contract number, state purchase order, agency EPA, or SEPA number do NOT need to be added to the MPC field. Remember, any other use of the MPC field must be cleared and approved by the State Controller's Office.

## **Contracting with Employees**

Can a state agency contract with one of its employees? No. *Idaho Code 67-5726* says in part: "...No member of the legislature or any officer or employee of any branch of the state government shall directly, himself, or by any other person in trust for him or for his use or benefit or on his account, undertake, execute, hold or enjoy, in whole or in part, any contract or agreement made or entered into by or on behalf of the State of Idaho, if made by, through, or on behalf of the department in which he is an officer or employee; or if made by, through or on behalf of any other department unless the same is made after competitive bids..."

A state employee cannot hold a contract with their own department, but may contract with another department if it was competitively bid.

## **Purchasing from GSA/FSS Contracts**

As part of the Federal Acquisition Streamlining Act (FASA) Congress gave the U.S. General Services Administration (GSA) the authority to implement a program to permit state and municipal governments the use of GSA Federal Supply Schedules (FSS). Unfortunately, before the program was implemented, Congress rescinded the authority. In anticipation of being able to access the GSA contracts, Idaho added *I.C. 67-5724a* in 1996 which allowed contracting with GSA suppliers without competitive bidding. Even though GSA has no official program to offer FSS contracts to states, there are no restrictions in the GSA contracts that prevent a GSA contractor from offering the same price to a state or local government entity. Several states have used GSA pricing as a basis for multiple award contracting. Currently Idaho has not entered into any contracts with GSA Federal Supply Schedule contractors.

Prices on the GSA schedules are not always the lowest in the country. GSA negotiates a "most favored customer" price after determining that the prices are "fair and reasonable." GSA has over 8,000 contractors on the schedule program for over 4 million services and products. Contracts are generally for 20 years; basic five-year with 3 additional five-year options. More information on GSA Federal Supply Schedules can be found at: [www.gsa.gov](http://www.gsa.gov)

Can a state agency purchase from GSA contracts without competitive bidding? Yes, but only by permission from the Division of Purchasing. The purchasing rules outline the process as follows:

## **IDAPA 38.05.01 – 042. Exceptions to Formal Sealed Procedure**

### **08. Purchases From General Services Administration Federal Supply**

**Contractors.** Acquisitions of property may be made from General Services Administration federal supply contractors without the use of competitive bid. The administrator shall determine whether such property meets the purchasing activity's requirements and whether the price of acquisition is advantageous to the state. The administrator shall commemorate the determination in a written statement that shall be incorporated in the applicable file. If the administrator determines that the acquisition of property from General Services Administration contractors is not advantageous to the state, the acquisition shall be in accordance with competitive bidding procedures and requirements.

## **Statewide Contract Updates**

**Court Reporting Price Agreements** - New agreements with various court reporting firms have been established. The new agreements are two years in duration and include additional pricing options. The effective dates are April 1, 2002 through March 31, 2004. They provide for court transcription services for both hearings and depositions. They are agreements of convenience for use by agencies (i.e., they are not mandatory usage).

**Propane, Zone 2 (Lewiston area) - Ferrellgas, Contract SBPO 31.** This contract will NOT be renewed or re-established after its current expiration April 30, 2002. The contractor would only renew subject to some significant price increases. In discussions with the major agencies served by the contract, they would prefer to not have a replacement contract at this time and make their own arrangements for propane fuel.

**Office Furniture, Zone 3 (Boise Area) - Business Interiors of Idaho, Contract SBPO 72.** New pricing for this contract is effective April 1, 2002 as well as a new contract number (SBPO1028). Substantial increases by the manufacturer since the last increase November 1, 2000 prompted the amendment.

**Office Furniture, Zone 6 (Idaho Falls Area) - Boise Cascade Office Products, Contract SBPO 77.** New pricing for this contract is effective December 1, 2001 as well as a new contract number (SBPO1019). Substantial increases by the manufacturer since the last increase March 1, 2001 prompted the amendment.

**Xerographic Paper, Area B (Boise and Twin Falls area) - Xpedx, Contract SBPO 109.** Increased pricing for white paper items is effective April 18, 2002 - colored paper remains the same. The increase approximates 7.5% and is due to increases in the mill price of the paper. The increase is in accordance with contract terms and conditions.